

REPUBLIC OF KENYA



REPORT

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ON

**NAIROBI INTERNATIONAL FINANCIAL
CENTRE AUTHORITY**

**FOR THE YEAR ENDED
30 JUNE, 2025**

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 01 APR 2026 DAY. Wednesday

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| TABLED BY: | Hon. Naomi Wago Deputy Majority Whip |
| CLERK-AT-TABLE: | Mado Mwangi |





REPUBLIC OF KENYA



NAIROBI INTERNATIONAL
FINANCIAL CENTRE

(NAIROBI INTERNATIONAL FINANCIAL CENTRE AUTHORITY-NIFCA)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

**Prepared in accordance with the Accrual Basis of Accounting Method under the International
Public Sector Accounting Standards (IPSAS)**

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1.0 Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

| | |
|-------|--|
| CEO | Chief Executive Officer |
| DG | Director General |
| CBK | Central Bank of Kenya |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards |
| MD | Managing Director |
| NT | National Treasury |
| OCOB | Office of the Controller of Budget |
| OAG | Office of the Auditor General |
| OSHA | Occupational Safety and Health Act of 2007 |
| PFM | Public Finance Management |
| PPE | Property Plant & Equipment |
| PSASB | Public Sector Accounting Standards Board |
| SAGAs | Semi-Autonomous Government Agencies |
| SC | State Corporations |
| FY | Financial Year |

B: Definition of Key Terms

Fiduciary Management - Members of Management directly entrusted with the responsibility of financial resources of the organization.

Comparative Year - Means the prior period.

Financial Year- Government fiscal year, always a period of twelve months (12) months beginning 1st July and ending 30th June of the following year

2.0 Key Authority Information and Management

(a) Background information

The Nairobi International Financial Centre (NIFC) is a new business environment established to make it easier and more attractive to invest and conduct financial services and related activities in Kenya. The Centre was established in accordance with Section 4 (1)(2) of the NIFC Act, 2017 to be an operating framework managed by the Authority (the Authority) to facilitate and support the development of an efficient and globally competitive financial services sector in Kenya.

The NIFC was officially opened in July 2022 and is a flagship initiative under the economic pillar of the Kenya's Vision 2030.

The Authority is a Semi- Autonomous Government Agency (SAGA) under the National Treasury; established and constituted in accordance with Section 5(1) of the NIFC Act, 2017.

In line with Section 8 (1) of the NIFC Act, 2017, the Board of Directors are comprised of:

1. A non-executive chairperson appointed by the President
2. A representative of the Attorney General
3. Alternate to the Cabinet Secretary, National Treasury
4. Alternate to the Cabinet Secretary, Investments, Trade, and Industry
5. Four other persons with relevant international financial services experience appointed by the Cabinet Secretary responsible for matters relating to finance; and
6. The Chief Executive Officer who shall be an *ex-officio* member with no right to vote.

Principal Activities

The objectives of the Authority are to—

- a) Establish and maintain an efficient operating framework to attract and retain firms.
- b) Develop and recommend strategies and incentive structures in collaboration with relevant agencies to attract firms to be NIFC firms; and
- c) Review and recommend, in collaboration with the relevant regulatory authorities' developments to the legal and regulatory framework to develop Kenya as an internationally competitive financial centre.

(b) Key Management

The Authority is supported in its functions by the Chief Executive Officer, Directors and Heads of Departments which provides administrative and technical support to the Authority in executing its mandate and functions. The key management personnel who served in the Authority during the year are as follows:

| No. | Designation | Name of the Officer |
|------------|--|----------------------------|
| 1. | Chief Executive Officer – <i>From 18.12.2024</i> | Daniel Mainda |
| 2. | Ag. Chief Executive Officer - <i>Up to 31.07.2024</i> | Oscar Njuguna |
| 3. | Ag. Chief Executive Officer – <i>From 01.08.2024 up to 17.12.2024</i> Ag. Director Corporate Services | David Komen |
| 4. | Ag. Director, Financial Sector Development <i>Up to 31.07.2024</i> | Jedida Ndungu |
| 5. | Deputy Director, Capital Markets <i>From 16.05.2025</i> | Jean Kambuni |
| 6. | Ag. Head of Finance and Accounts | CPA Seth Onyango |
| 7. | Ag. Principal Human Resources Officer <i>From 31.05.2024</i> | Kenneth Ijimba |
| 8. | Principal Human Resources Officer <i>From 10.06.2025</i> | Fredrick Komen |

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(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|-----|---|---|
| 1. | Chief Executive Office | Daniel Mainda <i>From 18.12.2024</i> |
| 2. | Ag. Chief Executive Office | Oscar Njuguna <i>Up to 31.07.2024</i> |
| 3. | Ag. Chief Executive Office Ag. Director Corporate Services | David Komen <i>From 01.08.2024 up to 17.12.2024</i> |
| 4. | Ag. Director, Financial Sector Development | Jedida Ndungu <i>Up to 31.07.2024</i> |
| 5. | Ag. Corporation Secretary | Nelson Magunga |
| 6. | Ag. Head of Finance | Seth Onyango |
| 7. | Deputy Director Supply Chain | Philip Yego <i>From 04.05.2025</i> |
| 8. | Head of Internal Audit-NT | |

(d) Fiduciary Oversight Arrangements

The Authority's Board of Directors have all the powers necessary for the performance of the functions of the Authority and is responsible for laying down the general policies and plans for the Authority in accordance with International best practices by ensuring the achievement of the strategic objectives, mandate of the organization, and financial accountability as set out under the NIFC Act, 2017. This responsibility is achieved through the various committees of the Board, which are given specific terms of reference to carry out the Authority's mandate. The Board also ensures that strategic direction is given to management, who are responsible for the day-to-day operations of the organization to achieve commonality of purpose. The Board has constituted the following committees to assist in the discharge of the mandate of the Authority:

- i. Audit and Risk Assurance Committee.
- ii. Finance and Planning Committee.
- iii. Human Resources Committee and;
- iv. Technical Committee.

The Authority is accountable to various parliamentary committees through the National Treasury.

(e) Other Authority's Key Details

(i) Headquarters

Treasury Building
10th Floor
P.O. Box 30007-00100
Harambee Avenue,
Nairobi, Kenya

(ii) Contacts

Telephone: +254 793 000 555
Email : info@nifca.go.ke
X : [@NIFCAfrica](https://twitter.com/NIFCAfrica)
Website : www.nifca.go.ke

(iii) Bankers

Kenya Commercial Bank Limited
University Way Branch
Nairobi, Kenya

(iv) Independent Auditor

Auditor-General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(v) Principal Legal Adviser

The Attorney General
State Law Office and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3.0 The Board of Directors



Michael Kamau Kamiru, MBS
Chairperson of the Board of Directors

CPA. Michael Kamau Kamiru, MBS, is the non-executive chairperson of the NIFCA Board of Directors. He holds the position of Chief Executive Officer at Havens Drops Limited and serves as Managing Partner at Havens Consultants. Prior to these roles, he served as the Head of Governance, Risk & Compliance at Allianz Insurance

in Germany.

With over 27 years of experience in the international insurance sector, Mr. Kamiru is recognized for his leadership in strategic and financial management, governance, risk & compliance, as well as budgetary control and projection models. An esteemed board member, Mr. Kamiru has also contributed to various public and private institutions, including The Nairobi International Financial Centre, Kenya Revenue Authority, and United Family SACCO.

He earned a Bachelor of Commerce Degree (Hons) from Catholic University and holds a master's degree in business administration (Corporate Management) from KCA University. Mr. Kamiru is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK).



Darshan Shah
Independent Director

FCCA Darshan Shah is the Chairperson of Finance and Planning Committee of the NIFCA Board. He is a Partner at PKF Kenya LLP and a Director of PKF Taxation Services Limited. Darshan has over twenty-one (21) years' professional experience in tax advisory, mergers and acquisitions, financial consultancy, and audit services. He is a member of PKF Technical Committee and serves as the Head of Assurance for PKF in Eastern Africa. Darshan has been involved in audits and investigations by KRA; advisory related to international tax and tax structuring in

Kenya; Policy based tax submissions on behalf of clients and Tax advisory surrounding mergers and acquisitions. Darshan is the co-author of the Wiley International Financial Reporting Standards (IFRS) Interpretations Guide 2014 - 2021 and has extensive knowledge and experience of IFRS.

He is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Accountants of Uganda and Institute of Chartered Accountants in England and Wales, UK (ACA). Darshan is also a Fellow of the Chartered Institute of Certified Accountants (FCCA), UK.



Tonia Mutiso
Independent Director

Ms. Tonia Mutiso is a lawyer by training with over 23 years of experience in Law, Human Resources and Marketing within the technology sector. She is currently the Managing Partner & Co-CEO of Tellistic Technology Services, a capacity building, data analytics and software engineering firm. She was appointed on 28th June 2024 and currently serves as member of the Board Finance, Planning and

Human Resource Committee.

Previously she has served in the board of Communication Authority.



Akali James Agembe
Independent Director

Mr. Akali James Agembe is a financial specialist with vast experience spanning over 16 years drawn from both Public, NGO, and Private sectors.

He previously served as a Director at Kenya Deposit Insurance Corporation Board (KDIC) and also as the Director Finance and Administration at OGRA Foundation (NGO), He was the Chairman of the Human Resources, Strategy, and General-Purpose Committee (HSG) at KDIC and a Member of the Audit Committee. In addition

to this position, Mr. Akali previously served as the Technical Committee (BTC) Chairman at KDIC.

Over years, Mr. Akali served in different capacities at STOP TB Partnership-UNOPS Funded project, Direct Relief International(DRI), Wits Health Consortium (pty)Ltd-Funded by Global fund and World Bank as Finance & Administration Director covering Eight Southern African countries-(Zambia, Swaziland, Mozambique, Lesotho, Tanzania, Botswana, Namibia and Zimbabwe), ICAP/CDC - PEPFAR Funded project, APHIA II Nyanza (USAID funded) initiative, Director Finance and Administration OGRA FOUNDATION-Global Fund project, USAID Advancing Nutrition project. Throughout his professional career, he mastered supervisory of project operational teams, coordination of finance, budget management, monitoring internal controls, grants, human resources, administration, procurement, logistics, security, and overseas fraud mitigation systems and practices, in-depth knowledge of the state of financial developments in Kenya and within different Regional economic sectors as well as private sector roles in supporting financial reform agenda.

Mr. Akali is a PhD candidate pursuing a Doctor of Philosophy in Business Administration (Finance) and CS Certification. He holds an MBA in Business Administration – (Finance) from Maseno University, Bachelor's Degree in Business Administration (BBA-Finance) from Maseno University, Dip. Business Administration (DBA), Dip.HRM (USA), Cert. in Project mgt. (UK). In addition, He is a member of the Institute of Internal Auditors (IIA), Institute of Directors Kenya-IoD(K), Kenya Association of Professional Managers (KAPM), Institute of Human Resource Management (IHRM) and Member Kenya Institute of Management (MKIM).



Michael W. Maina
Independent Director

Michael Waititu is a skilled leader in strategic management with over 20 years of experience in government and corporate sectors. He holds an MBA in Strategic Management from the University of Nairobi, a bachelor's degree in Business Studies and Economics from Kenyatta University, and a Diploma in Human Resource Management from the Kenya Institute of Management.

Before joining the Nairobi International Finance Centre Authority as a Director, he was a Director at the Kenya Water Towers Agency under the Ministry of Environment.



Samuel Kiptorus
Director /Alternate to Cabinet Secretary National Treasury

Samuel is the Director - Intergovernmental Fiscal Relations Department in the National Treasury and alternate to Cabinet Secretary National Treasury and Planning. He holds a Bachelor of arts Economic from the University of Nairobi and Master of Arts Economic from University of Dar es salaam. He is a career public servant span over thirty (30) years' experiences in dealing with: Intergovernmental fiscal relations, Economic Planning and Strategic management, Policy, Statistics, Budgeting, Project design, implementation, monitoring and

evaluation across. Worked in all the three arms of government.



Dinah Mboje
Director /Alternate to Attorney General

Dinah is a Lawyer and State Counsel in the Office of the Attorney General for the Republic of Kenya. She holds an LLB and an LLM. She is a dynamic, creative, and highly resourceful Advocate with experience and knowledge of the workings with Government (at both National and County levels), International Law, Public and Private Law.

Dinah was a key member of the team that successfully developed and drafted the Public Procurement and Asset Disposal Regulations. She reviewed and advised on procurement contracts for infrastructure projects valued at KES 5 billion [USD 45 million] and above.



Symon Chelelgo
Director /Alternate Cabinet Secretary; Investments, Trade and Industry

Symon is a deputy director in the State Department of Trade at the Ministry of Industrialization, Trade and Enterprise Development, a department he has worked in for the last 26 years. Symon leads Kenya's negotiations with the US around the African Growth and Opportunity Act (AGOA) – legislation that provides eligible sub-Saharan African countries with duty-free access to the US.

Symon holds a masters' degree from the University of Antwerp in International Business, Trade and Commerce.



Mr. Daniel Mainda
Chief Executive Officer (Effective 18th December 2024)

Mr. Daniel Mainda was appointed the Chief Executive Officer of the NIFCA on 18th December 2024. Until his appointment, Mainda served at SBM Bank and was charged with enhancing cross-border business between the Group's subsidiaries in Kenya, Mauritius, India & Madagascar. He was also part of the lead team that was instrumental in the set-up of SBM Bank Kenya and managed the Global Corporates and International Banking arm of the bank.

Notably, his other previous roles range from when he built the Financial Institutions Africa business for Mauritius' 2nd largest bank, as well as working in Canada for Conros Corporation where he was responsible for leading the investment and management strategies related to the Africa operations and was the key resource in Public & Private sector engagements with a focus on increasing Foreign Direct Investment [FDI] into the region.

In addition, Mainda serves on several strategic boards in the East African region which are in diverse sectors such as I.T, Distribution, and Experiential Marketing where he is the respective Chair of the Boards' Finance Committees. He has an MBA in Finance and a BBA in International Business from the USA, and is trained in Strategic Management, Governance & Leadership.

Mainda has more than a decade of experience in the global finance and offshore sector and will be instrumental in targeting global & regional businesses that provide large pools of capital, drive innovation & are committed to sustainable growth. This includes investment funds such as Private Equity and VC Funds, asset managers, insurance companies and financial services firms, especially those focusing on fintech and green finance. Mr. Mainda serves the NIFCA Board as a technical advisor.

4.0 Key Management Team



Mr. Daniel Mainda
Chief Executive Officer (*Effective 18th December 2024*)

Until his appointment, Mainda served at SBM Bank and was charged with enhancing cross-border business between the Group's subsidiaries in Kenya, Mauritius, India & Madagascar. He was also part of the lead team that was instrumental in the set-up of SBM Bank Kenya and managed the Global Corporates and International Banking arm of the bank.

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David Komen
Ag. Director Corporate Services

Mr. David K. Komen is an Economist by profession and a career Civil Servant with over 30 years' experience in the Public Service. He is currently a Senior Deputy Director of Budget and Director, Resource Mobilization Department at the National Treasury and Planning where he handles the mobilization of external resources and financial management of donor funded projects.

Prior to joining the National Treasury, Mr. Komen has also worked in the Central Planning Departments in several Ministries including Ministry of Planning, Ministry of Agriculture, and Ministry of Cooperative Development where he rose through the ranks to a Chief Economist.

He holds a Bachelor of Arts Degree in Economics from the University of Nairobi, a Master of Science Degree in Economic Development and Project Planning from the University of Bradford, UK and a Postgraduate Certificate in Projects and Management Development in UK.

Over the years, Mr. Komen has also served in several Boards including KEMRI, Kerio Valley Development Authority, The Technical University of Kenya (TUK) and Tanathi Water Works Development Authority (TANATHI) and the Kenya Universities and Colleges Central Placement Service (KUCCPS).



Seth Onyango
Ag. Head of Finance

CPA. Onyango is the Ag. Deputy Director Finance and Accounts. He is seconded from Retirement Benefits Authority where he is an Assistant Director Supervision. Previously he was Deputy Manager, Finance; performing the duties of Chief Manager, Finance from July 2019 to October 2022 before deployment to the supervision directorate. He joined the Authority in January 2018.

Further, he worked at the National Treasury and Planning in various departments including The Accountant Generals; Government Investment and Public Enterprises; Intergovernmental and Fiscal Relations and District accountant Kisii central District Treasury. In 2013, he worked as the Head of Treasury (Accounting) at the Nyamira County Government on secondment from the National Treasury to set up the accounting systems for the new entities.

He also holds an MBA in Finance from the University of Nairobi and a bachelor's degree in Business Management from Moi University. He is a Certified Public Accountant of Kenya and a member of the Institute of Certified Public Accountants (Kenya)



Nelson Mandela Magunga
Interim Secretary to the Board

Nelson Mandela Magunga is a seasoned legal and financial professional with over five years of experience in financial services, corporate governance, commercial law, compliance, and international finance.

Before joining NIFCA, Mr. Magunga served as an Advocate Associate at Magunga Makori & Company Advocates, where he provided corporate, banking and commercial legal advisory and litigation support. He also worked with MMC ASAFO, contributing to significant national projects

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including the National Health Insurance Fund's medical partnership agreements, major real estate developments at Tatu City, and the impeachment proceedings of the former Kiambu Governor.

Mr. Magunga is currently studying his Master of Laws (LL.M) degree from the University of Nairobi, specializing in Financial Services Law. He also holds a Post-Graduate Diploma in Law from the Kenya School of Law and a Bachelor of Laws (LL.B) from the University of Nairobi.

He is a member of the Law Society of Kenya (LSK) and has undertaken specialized training in corporate governance, data protection, and board leadership development.

5.0 Report of the Chairman of the Board of Directors

It is with great pleasure that I present the annual statement for the Nairobi International Financial Centre Authority for the period of 1 July 2024 to 30 June 2025. This report outlines the significant achievements, and key milestones, made in operationalizing the Authority.

Building Blocks

The journey to establish Nairobi as a globally competitive financial hub began with the development of the Kenya Vision 2030 agenda in 2008. A significant leap forward was taken in 2017 with the enactment of the NIFC Act, which laid the legislative foundation for the Centre.

In July 2020, a key milestone was reached with the appointment of the Board of Directors of the Nairobi International Financial Centre (NIFC) Authority. This was followed by the formalization of the organization's staffing structure in February 2021, including the appointment of an Acting CEO, setting the stage for effective operationalization. This paved the way for the formulation of the NIFC's three-year strategic plan, developed in collaboration with McKinsey, leveraging their extensive experience in establishing financial Centre's globally.

The NIFC's international standing received a significant boost through the signing of a Memorandum of Understanding with The City UK corporation, building on the UK-Kenya Strategic Partnership of 2020. In addition, the NIFC General Regulations 2021 were finalized and enacted, providing a robust legal framework for the Centre. The NIFC's value proposition was carefully crafted, with initial tax incentives for NIFC firms being incorporated into the Finance Act of 2022.

In July 2022, the NIFC officially opened its doors, marking a historic moment and initiating the onboarding process of NIFC firms, starting with Prudential Plc, which chose the Centre as its Africa Headquarters.

Specific Achievements

Building upon the foundations set in the previous year, our efforts during this financial year resulted in significant achievements:

- Continually looking to build out the NIFC's membership base, resulting in several firms submitting applications for certification by the NIFC Authority.
- Providing significant business facilitation services to NIFC firms, including immigration support services, business registration matters and legal structures.
- The establishment and sensitization of a new Board of Directors in December following the term expiry of the previous board.

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- A major highlight has been the support provided to Prudential, facilitating its growth within the NIFC. Starting with a small team, Prudential has now expanded to over 40 staff, showcasing the success of our efforts in fostering a conducive business environment.
- Extensive collaboration with key stakeholders, such as the Financial Sector Regulators, Business Registration Service and Directorate of Immigration Services, illustrated our dedication to supporting the growth of the financial sector, including the implementation of the Capital Markets Master Plan.
- The submission of innovative, novel tax proposals to the National Treasury to enhance the NIFC's value proposition and Kenya's competitive position.

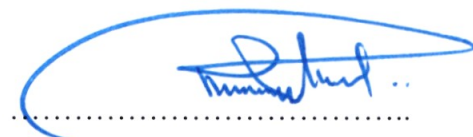
The Future

Following the launch of the NIFC in 2022, the NIFC team has made significant strides in fleshing out and establishing the NIFC Framework. The foundations have been successfully laid out and we look forward to building on these accomplishments, fostering collaboration, attracting global investments, and creating an ecosystem that propels Nairobi into the forefront of the international financial landscape.

This would not have been possible without the support of key international partners that have stood by us steadfastly and supported us on this journey, including the Governments of the United Kingdom (through FCDO, FSD Africa and FSD Kenya), United States, Switzerland, and Qatar, as well as the UNDP Financial Centre's for Sustainability.

As we embark on the path ahead, I extend my gratitude to the Board of Directors, the dedicated team at the Nairobi International Financial Centre Authority, our partners, stakeholders, and the broader community for their unwavering support. Together, we are shaping the future of finance in Kenya and beyond.

Thank you,



MICHAEL KAMAU KAMIRU
BOARD CHAIRMAN

6.0 Report of the Chief Executive Officer

I am delighted to present the annual report of the Nairobi International Financial Centre Authority for the financial year spanning 1 July 2024 to 30 June 2025. This period has been marked by significant milestones and focused efforts in realizing our mission to position Nairobi as a global financial hub.

Key Achievements:

The 2024/2025 Financial Year was a year of establishment and growth for the NIFC. Building from the successful launch of the Centre in 2022, the NIFC Authority has focused its efforts on building upon the NIFC's value proposition and improving its framework with the aim of attracting new firms and investments to the NIFC.

As per Section 6 of the NIFC Act, the NIFC Authority has continued to develop and recommend strategies and incentives to attract firms and financing into Kenya. In this vein, the NIFC Authority successfully developed and defended a set of tax proposals to the National Treasury, made contributions and comments to the Draft Carbon Markets Regulations 2023 and maintained its membership in working groups with key partners such as the Climate Finance Unit and the National Treasury Taskforce on Digital Assets. By maintaining its position as a close collaborator with key financial sector bodies, the NIFC can have a hand in the formulation of policy to make the business environment more conducive for investment.

A key role of the NIFC Authority is to continually collaborate with its membership base and the private sector to understand the past, ongoing and potential challenges within Kenya's Financial Services Sector. This ongoing engagement will allow the NIFC to develop innovative, targeted solutions to solve those pain points and foster synergy and growth for the NIFC and its firms. The NIFC has been active in fostering these engagements by:

- a) Co-hosting a Private Equity & Venture Capital Sector Roundtable in collaboration with Ashitivia Advocates LLP and Pincent Masons to discuss the investment landscape in Kenya.
- b) Engaging with key professional bodies and associations such as the Kenya National Innovation Agency and the Blockchain Association of Kenya to support the FinTech ecosystem in Kenya.
- c) Engaging with numerous local and international financial institutions and investors during the Nairobi Climate Summit, including the Singapore/Kenya trade delegation, JP Morgan, East Africa Venture Capital Association (EAVCA).

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- d) Jointly collaborating with the UNDP, Swiss Embassy, Swiss Sustainable Finance and Equity Bank to host the Bridging Africa-Europe SDG Investment Summit and engagement with Swiss investors.
- e) Co-hosting workshops and sessions with international associations such as the Chartered Institute for Securities and Investment
- f) Maintaining relationships with key collaborators in relevant sectors such as EAVCA, the Nairobi Securities Exchange and the Kenya Association of Manufacturers.

The NIFC Authority has also worked closely with key government institutions such as the Directorate of Immigration Services and the Business Registration Service to support in key business facilitation services for NIFC firms. This has been key in ensuring a quick registration process and allowing them to hire and retain key talent, facilitating key knowledge transfers to local talent.

During this financial year, the NIFC has been able to maintain its ongoing membership with the UNDP Financial Centres for Sustainability (UNFC4S), a collective of over 40 international financial centres across the world to support and align financial centres with the Sustainable Development Goals (SDG) and measure progress. Building and maintaining relationships with key partners such as UNFC4S is vital in ensuring the NIFC's international standing.

The NIFC has also been in the process of developing an Investor Pipeline Builder project with several local and international partners aimed at identifying a pipeline of viable projects and businesses, securing the technical resources required to improve those projects and make them bankable/investable, and then match those well-structured projects/businesses with specific investors whose appetite is aligned to those sectors.

Operationally, during the financial year the Authority was allocated Kshs. 110.12 million an amount that was all earned, including Kshs. 39.76 million that was allocated in Supplementary Estimate N0.III of FY 2024/25 to cater for office partition works and Kshs. 2.05 million received from other income generated in course of undertaking its statutory duties. The Authority's original approved budget was Kshs. 70.36 million, an allocation that was funded 100% funding from the National Treasury. The Authority spent Kshs. 77.12 million as at 30th June, 2025. This represents over-absorption of 106.5% due to capital expenditures incurred that utilized funds carried forward from previous financial years.

Acknowledgments

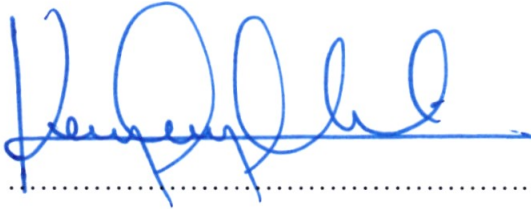
To the Board of Directors for providing the vision and guidance that led to the successful opening of the NIFC and development of the various policies geared towards effective operationalization. To the invaluable support of key partners, both local and international.

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for the year ended June 30, 2025.**

Finally, to the dedicated team at the Nairobi International Financial Centre Authority, who have worked tirelessly and selflessly, to achieve the goals. Without them, none of this would be possible.

Despite these successes, we recognize that much more work lies ahead to fully realize our goals and cement the NIFC's position as a globally competitive financial centre.

Thank you.



MR. DANIEL MAINDA
CHIEF EXECUTIVE OFFICE

7.0 Statement of Performance against Predetermined Objectives for FY 2024/2025

The NIFCA Strategic Plan serves as a comprehensive blueprint to position NIFC as the preferred financial gateway with a goal to establish NIFC as a hub for financial innovation and global business, driving economic growth across the African continent. The Strategic Plan aligns the policy goals, priority programs, and fiscal framework to support the achievement of the objectives of the Fourth Medium Term Plan (MTP IV), the Kenya Vision 2030, and amplifying the Bottom-up Transformational Agenda (BETA) by;

- (i) Mobilising capital for key sectors such as digital and creative and digital economy, infrastructure, manufacturing, housing, energy, agriculture and health which are central to BETA's goals;
- (ii) Acting as a regional hub for green and sustainable finance, supporting initiatives like carbon trading hence drawing resources for climate-resilient projects in line with BETA's environment-related priorities.
- (iii) Boosting Kenya's digital economy by supporting fintech development, helping expand access to financial services; a key enabler for MSMEs and digital inclusion as envisioned under BETA;
- (iv) Providing predictable legal and fiscal framework including tax incentives and ease of doing business to draw both international and domestic players, helping unlock sectors foundational to BETA and by;
- (v) Attracting investment funds and multi-nationals through targeting global and regional investment funds, asset managers, and multinational headquarters thus strengthening Kenya's capital markets and stimulating local economic activity

This Strategic Plan envisions Kenya as the *'the Preferred Financial Gateway into Africa'*, which will be achieved by building a dynamic, secure and innovative financial ecosystem by formulating and implementing conducive policies, legal and regulatory frameworks that attract global and regional investments and position Nairobi as an attractive financial hub.

In its 2024-2027 Strategic Plan, NIFCA has identified five (5) Key Result Areas (KRA), namely:

- 1) Attracting Investments.
- 2) Certify Firms.
- 3) Retaining Investments.
- 4) Policy, legal, institutional and regulatory frameworks; and

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5) Organization Efficiency.

From these Key Result Areas, five (5) Strategic Objectives have been identified to provide the scope for the planning period. It is expected that at the end of the plan period, there will be: Increased direct foreign investments in financial services sector; increased number of certified firms; enhanced talent mobility; improved Ranking (first position in Africa among IFCs); robust, transparent and investor-friendly policy, legal and institutional environment in the financial services sector; and that NIFCA will be operating efficiently and effectively

NIFCA develops its annual work plans based on the above five key results areas of focus. Assessment of the Authority's performance against its annual work plan is done on a quarterly basis. The performance is then reported continuously culminating into annual report. The Authority achieved its performance targets set for the FY 2024/2025 for its five strategic focus areas, as indicated in the table below;

| KRA/Strategic Objective | Expected Output | Output Indicator | SP Period Target (A) | Achievement for the year-FY 2024/2025 | | |
|---|---|---|----------------------|---------------------------------------|------------|----------------|
| | | | | FY 2024/25 Target (B) | Actual (C) | Variance (B-C) |
| KRA: Attracting Investments | | | | | | |
| To enhance investments in the financial services sector | Agreements signed with IFCs and DFIs | No. of Agreements | 6 | 4 | 4 | 0 |
| | Mapping of potential partners and hold forums with them | No. of Engagements | 45 | 5 | 7 | 2 |
| | | Potential firms and start-ups pipelined. No. of firms | 1000 | 50 | 50 | 0 |
| | | Agreements signed with IFCs and DFIs | 6 | 1 | 0 | -1 |
| Increase access to capital | Proportion of start-ups requested for support (%) | Support start-ups in regulatory approval | 100% | 100% | 100% | 0 |
| Improve NIFCA brand visibility | Activate NIFC brand strategy | Active Brand | 1 | 1 | 1 | 0 |
| | Develop an abridged version of the strategic plan and disseminate to stakeholders | Abridged Version | 1 | 1 | 1 | 0 |
| | Prepare media briefs | Quarterly Briefs/articles | 10 | 2 | 2 | 0 |
| | Revamp NIFC website and social media | Website revamped and updated | 100% | 100% | 100% | 0 |
| | Social media platforms activated | Social media platforms | 3 | 3 | 3 | 0 |
| | Design and develop IEC materials | Categories of IEC materials ¹¹ | 4 | 1 | 1 | 0 |

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| | | | | | | |
|---|--|--|------|------|------|------|
| | | Billboards, brochures, flyers and infomercials | | | | |
| | Hold sensitization forums | Annual Forum | 4 | 1 | 2 | +1 |
| | Leverage national and international forums to sell the brand | Annual Forums Zamara, Africa Investment Forum, MICE Forums, International Climate Week, COP | 18 | 2 | 3 | +1 |
| Design and develop value proposition incentives | Develop a value proposition FC Visa, Fasttrack immigration, business registration, permits, tax incentives, trade incentives, qualitative incentives, access professional services, market linkages | Value proposition report | 1 | 1 | 1 | 0 |
| | Identify and validate feasible incentives with stakeholders and disseminate | Annual Submissions | 4 | 1 | 8 | +7 |
| | Participate in financial regulators forum | No. of forums | 4 | 1 | 2 | +1 |
| Operationalize the Steering Council | Develop draft operational procedure (ToRs and Agenda, initial/planning meeting, budgets, calendar) | Procedure | 1 | 1 | 0 | -1 |
| | Facilitate the convening of the Steering Council meetings | No. of meetings | 10 | 1 | 0 | -1 |
| | Prepare NIFC progress reports | No. of reports | 10 | 1 | 0 | -1 |
| | Coordinate the implementation of steering council directives | Proportion of directives (%) | 100 | 100 | 0 | 0 |
| To increase the number of certified firms | Develop and automate customized application forms for qualified activities | No. of forms | 4 | 4 | 4 | 0 |
| | Review and automate a strategic fit and certification criteria | Approved criteria | 1 | 1 | 0.5 | 0.5 |
| | Undertake strategic fit test | Proportion of the applied firms (%) | 100% | 100% | 100% | 100% |

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| | | | | | | |
|-------------------------|---|--|-------|------|------|------|
| | Conduct due diligence for firms that have passed the strategic fit test | Proportion of firms (%) | 100% | 100% | 100% | 100% |
| | Certify firms | No. of qualified firms | 150 | 10 | 1 | -9 |
| | Amount of Revenue Generated (Kshs. Mn) | | 60.75 | 4.05 | 0.5 | 4 |
| | Amount of FDI inflows to the economy (Kshs. Bn) | | 30 | 2 | NA | NA |
| | Prepare quarterly reports (including a trend analysis, challenges and lessons learnt) | Quarterly reports | 10 | 2 | 1 | -1 |
| | Support firms in regulatory approval | Firms supported (%) | 100 | 100 | 100 | 0 |
| | NIFC registered with the Office of Data Protection Commissioner (ODPC) | Registration Certificate | 1 | 1 | 0 | -1 |
| | Data registry developed (with controlled access) | Registry | 1 | 1 | 0 | -1 |
| | Staff sensitized on data protection | Proportion of staff (%) | 100 | 100 | 100 | 100 |
| | Identify and develop MoUs and SLAs with relevant MDAs | No. of MoUs and SLAs signed | 15 | 3 | 0 | -3 |
| | Conduct annual inspection of certified firms for compliance | Annual Reports | 4 | 1 | 1 | 0 |
| | Undertake a customer satisfaction survey and implement feasible recommendations | Report | 4 | 1 | 0 | -1 |
| Organization Efficiency | Develop guidelines | No. of guidelines | 4 | 1 | 0 | -1 |
| | Develop proposals to inform review of policies and legal frameworks | Annual reports | 3 | 1 | 0 | -3 |
| | Develop/or review and implement internal policies | No of Policies | 18 | 5 | 1 | -4 |
| | Recruit staff | No. of staff | 33 | 17 | 17 | 0 |
| | Induct staff | Induct staff | 17 | 17 | 0 | -17 |
| | Undertake TNA and develop training interventions | TNA conducted and report | 4 | 1 | 0 | -1 |
| | | Training projections developed and implemented | 100% | 100% | 100% | 0 |

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| | | | | | |
|--|-------------------------------|------|------|------|------|
| Develop a succession management policy | HR Plan | 4 | 1 | 1 | 0 |
| Prepare financial and non-financial reports | No. of reports | 8 | 2 | 1 | -1 |
| Prepare and implement performance contract | No. of reports | 20 | 5 | - | -5 |
| Staff appraised | Proportion of staff (%) | 100% | 100% | 100% | 0 |
| Develop, review and launch NIFCA Strategic Plan | 1 st Generation SP | 1 | 1 | 1 | 0 |
| Develop and review the service charter (English, Kiswahili and Braille) | Charter | 1 | 1 | 0 | -1 |
| Conduct annual staff wellness events | Annual events | 2 | 1 | 0 | -1 |
| Develop complaints and complements mechanism | Mechanism | 1 | 1 | 0 | -1 |
| Design and implement staff welfare schemes (medical, car loan and mortgage, gratuity, personal accident cover, GLA, and pension) | Welfare schemes implemented | 8 | 2 | 1 | -1 |
| Acquire and fit-out office space | Space (6,200 Sq ft.) | 1 | 1 | 1 | 0 |
| Procure working tools and equipment for all staff | Tools and equipment procured | 100% | 100 | 50 | -50 |
| Inaugurate the Board | Board Inaugurated | | 1 | 1 | 1 |
| Undertake annual evaluation | Annual Report | 4 | 1 | 1 | 0 |
| Conduct capacity building for Board members | Annual report | 1 | 1 | 1 | 1 |
| NIFC services onboarded to e-Citizen | Proportion of services | 100% | 100% | 100% | 100% |
| Develop and implement a document management System | DMS | 1 | 1 | 0 | -1 |
| Prepare MTEF budget reports | MTEF reports prepared | 1 | 1 | 1 | 0 |

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| | | | | | | |
|--|---|----------------|---|---|---|----|
| | Audited Financial Statements for FY 2023/2024 | Audit Reports | 1 | 1 | 1 | 0 |
| | Develop Annual Budget and Workplans and Procurement Plans | No. of Plans | 2 | 2 | 0 | -2 |
| | | No. of Budgets | 1 | 1 | 1 | 0 |

8.0 Corporate Governance Statement

The Board is committed to ensuring the Authority complies with the principles of corporate governance as enshrined in the Constitution of Kenya 2010, the State Corporations Act, Cap 446, the Nairobi International Financial Centre Act 2017, and the Mwongozo Code of Conduct for State Corporations. Hence the operations of the Authority were conducted in compliance with the following principles of Corporate Governance: Transparency and disclosure, accountability, risk management, internal controls, ethical leadership, and good corporate citizenship.

8.1 Board Size and Composition

In accordance with the Nairobi International Financial Centre Act, 2017, the NIFC Authority is governed by a Board comprising: the Chairperson, four (4) independent Board members; the Cabinet Secretary responsible for matters relating to finance, or a representative appointed in writing by the Cabinet Secretary; the Cabinet Secretary responsible for matters relating to international trade, or a representative appointed in writing by the Cabinet Secretary; the Attorney-General, or a representative appointed in writing by the Attorney-General; and the Chief Executive Officer who shall be an ex-officio member with no right to vote.

Below is the current list of Board members, their respective designations, and terms of appointment:

| No. | Name | Designation | Date of Appointment |
|-----|-----------------|---|---------------------------------|
| 1. | Michael Kamiru | Chairperson | 15 th December, 2023 |
| 2. | Darshan Shah | Independent Director | 15 th December, 2023 |
| 3. | Tonia Mutiso | Independent Director | 28 th June, 2024 |
| 4. | James Akali | Independent Director | 29 th November, 2024 |
| 5. | Michael Maina | Independent Director | 8 th November, 2024 |
| 6. | Symon Chelelgo | Alternate to Cabinet Secretary, Investments, Trade, and Industry | 19 th March, 2021 |
| 7. | Samuel Kiptorus | Alternate to Cabinet Secretary, National Treasury and Economic Planning | 4 th April, 2023 |
| 8. | Dinah Mboje | Representative of the Attorney General | 12 th June, 2023 |
| 9. | Daniel Mainda | Chief Executive Officer | 18 th December, 2024 |

8.2 Roles and functions of the Board

The NIFC Authority Board plays a key role in steering the strategic and operational direction of the Nairobi International Financial Centre. In line with the provisions of the Nairobi International Financial Centre Act, 2017, the Board is mandated to provide governance oversight, ensure compliance with regulatory frameworks, and uphold the integrity and efficiency of the Centre. Its responsibilities are designed to support the Centre's goal of positioning Kenya as a leading global financial hub.

The Board's key roles and responsibilities include:

- a. Lay down the general policies and plans for the Authority in accordance with international best practices;
- b. Prepare the annual budget of the Authority for the purpose of funding the administrative activities of the Centre;
- c. Administer the assets and funds of the Authority in such a manner and for such purposes as shall promote the best interests of the Authority;
- d. Receive grants, donations, or any other moneys on behalf of the Authority and make legitimate disbursements therefrom;
- e. Ensure the Authority is always run-in accordance with the Act and best international practices; and
- f. Perform any other function necessary to achieve the objectives of the Authority.

8.3 Board Diversity and Gender Parity

The Board values and embraces diversity as a strategic asset that enhances competitiveness, enriches debate, and improves risk anticipation and opportunity assessment. A diverse Board brings varied perspectives, enabling more effective oversight and strategic direction.

The Board comprises individuals with a balanced mix of public and private sector experience, ensuring the collective competence necessary to address both current and emerging issues. Directors are selected for their attributes, skills, and expertise, enabling them to constructively challenge management, contribute to strategic thinking, and drive high performance within the Authority.

During the year, the Board's gender composition was 22.2% female and 77.8% male.

8.4 Board and members' performance

The performance of the Board and its members is a key pillar in ensuring effective governance, strategic oversight, and the successful delivery of the Authority's mandate. In line the principles of good corporate governance, the Board of the NIFC Authority undertakes regular performance evaluations to assess its collective effectiveness as well as the contribution of individual members.

During the reporting period, the Board underwent a performance evaluation facilitated by the State Corporations Advisory Committee (SCAC) in accordance with their guidelines. The assessment covered critical areas such as governance effectiveness, strategic leadership, compliance with regulatory obligations, and the performance of board committees.

The findings of the evaluation have informed targeted interventions to further enhance Board performance, including tailored training, process improvements, and strengthened committee engagement.

8.5 Board Meetings

At the beginning of the financial year, the Board was not fully constituted, which temporarily impacted Board activities. However, subsequent appointments during the year strengthened the governance framework, culminating in the full constitution of the Board by December 2024, in line with the provisions of the NIFC Act, 2017.

With the appointments of Directors Michael Maina and James Akali in November 2024, the Board reached full composition, stabilising its operations and enabling more structured oversight, stronger policy direction, and enhanced strategic engagement.

The table below outlines each Board member's attendance at meetings held during the financial year, demonstrating their commitment to the Authority's governance responsibilities.

| Full Board and Special Meetings Summary FY 2024-2025 | | | | | | |
|---|-----------------|--|-----------|-----------|-----------|--------------|
| No | Name | No. of Meetings in Financial Quarters (Q) | | | | |
| | | Q1 | Q2 | Q3 | Q4 | Total |
| 1 | Michael Kamiru | 5 | 2 | 2 | 2 | 11 |
| 2 | Darshan Shah | 5 | 2 | 2 | 2 | 11 |
| 3 | Tonia Mutiso | 3 | 2 | 2 | 2 | 9 |
| 4 | Samuel Kiptorus | 5 | 2 | 2 | 2 | 11 |
| 5 | Symon Chelelgo | 5 | 2 | 2 | 2 | 11 |
| 6 | Dinah Mboje | 5 | 2 | 2 | 2 | 11 |
| 7 | Michael Maina | - | 1 | 2 | 2 | 5 |
| 8 | James Akali | - | 1 | 2 | 2 | 5 |

8.6 Board Committees

For efficient and effective execution of its role and responsibilities as enshrined in the Nairobi International Financial Centre Act 2017 the Board operate through committees. The committees are mandated of providing strategic direction and oversight on behalf of the board. The Committees include the Audit and Risk Committee; Finance and Planning Committees; Human Resources Committee and Technical Committee.

a. Audit and Risk Committee

The Board Audit and Risk Assurance Committee provides structured and systematic oversight of the Authority's governance, risk management, and internal control frameworks. It offers independent advice and guidance on the adequacy and effectiveness of the Authority's compliance with corporate governance principles, statutory obligations, and internal policies.

At the beginning of the financial year, the Committee comprised Darshan Shah (Chairperson), Dinah Mboje (Member), and Symon Chelelgo (Member). In December 2025, a restructuring of the Committees took place, resulting in a new composition: James Akali (Chairperson), Dinah Mboje (Member), and Samuel Kiptorus (Member).

The table below shows the members of the committee and the number of meetings attended during the year.

| Board Committee Attendance Summary FY 2024-2025 | | | | | | |
|---|---|--------------------------|----|----|----|-------|
| No | Name | Audit and Risk Committee | | | | |
| | | Q1 | Q2 | Q3 | Q4 | Total |
| 1 | James Akali | 0 | 0 | 1 | 1 | 2 |
| 2 | Dinah Mboje | 0 | 1 | 1 | 1 | 3 |
| 3 | Samuel Kiptorus | 0 | 0 | 1 | 1 | 2 |
| 4 | Darshan Shah (<i>Former Member</i>) | 1 | 0 | 0 | 0 | 1 |
| 5 | Symon Chelelgo (<i>Former Member</i>) | 1 | 0 | 0 | 0 | 1 |

b. Finance and Planning Committee

The Committee oversees key financial and operational planning activities, including budget preparation, procurement planning, strategic plan implementation, and financial reporting, ensuring alignment with strategic goals, transparency, and regulatory compliance.

At the beginning of the financial year, the Committee comprised Samuel Kiptorus (Chairperson), Tonia Mutiso (Member) and Symon Chelelgo (Member). In December 2025, a restructuring of the Committees took place, resulting in a new composition: Darshan Shah (Chairperson), Dinah Mboje (Member), Samuel Kiptorus (Member) and Symon Chelelgo (Member).

The table below shows the members of the committee and the number of meetings attended during the year.

| Board Committee Attendance Summary FY 2024-2025 | | | | | | |
|--|---------------------------------------|---------------------------------------|-----------|-----------|-----------|--------------|
| No | Name | Finance and Planning Committee | | | | |
| | | Q1 | Q2 | Q3 | Q4 | Total |
| 1 | Darshan Shah | 0 | 0 | 1 | 2 | 3 |
| 2 | Dinah Mboje | 0 | 0 | 1 | 2 | 3 |
| 3 | Samuel Kiptorus | 5 | 1 | 1 | 1 | 8 |
| 4 | Symon Chelelgo | 5 | 1 | 1 | 1 | 8 |
| 5 | Tonia Mutiso (<i>Former Member</i>) | 5 | 1 | 0 | 0 | 6 |

c. Human Resources Committee

The Committee is responsible for providing strategic oversight and policy guidance on all matters related to human resource management and administration. Its mandate includes reviewing and advising on HR policies, recruitment, performance management, staff development, and succession planning. The Committee also ensures that the Authority’s human resource practices align with best practices, support organisational goals, and promote a productive, inclusive, and compliant work environment.

In December 2025, with the Board fully constituted, the Human Resource Committee was established. Its membership comprised of Michael Maina (Chairperson), Tonia Mutiso (Member), and Symon Chelelgo (Member).

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The table below shows the members of the committee and the number of meetings attended during the year.

| Board Committee Attendance Summary FY 2024-2025 | | | | | | |
|--|----------------|---------------------------------|-----------|-----------|-----------|--------------|
| No | Name | Human Resource Committee | | | | |
| | | Q1 | Q2 | Q3 | Q4 | Total |
| 1 | Michael Maina | - | - | 1 | 1 | 2 |
| 2 | Tonia Mutiso | - | - | 1 | 1 | 2 |
| 3 | Symon Chehelgo | - | - | 1 | 1 | 2 |

d. Technical Committee

The Committee is mandated to provide oversight and strategic direction on the Authority’s core technical functions. This includes guiding the development and implementation of key operational strategies, ensuring alignment with the Authority’s mandate, monitoring performance against technical objectives, and advising the Board on matters related to service delivery, innovation, and operational efficiency. Through its work, the Committee ensures that the Authority remains responsive, efficient, effective, and aligned its strategic plan.

At the end of the first quarter of the financial year, the Technical Committee was established with its membership being composed of: Tonia Mutiso (Chairperson), Dashan Shah (Member), Michale Maina (Member), and James Akali (Member).

The table below shows the members of the committee and the number of meetings attended during the year.

| Board Committee Attendance Summary FY 2024-2025 | | | | | | |
|--|---------------|----------------------------|-----------|-----------|-----------|--------------|
| No | Name | Technical Committee | | | | |
| | | Q1 | Q2 | Q3 | Q4 | Total |
| 1 | Tonia Mutiso | - | 1 | 1 | 1 | 3 |
| 2 | Darshan Shah | - | 1 | 1 | 1 | 3 |
| 3 | Michael Maina | - | 1 | 1 | 1 | 3 |
| 4 | James Akali | - | 1 | 1 | 1 | 3 |

8.7 Office of the Inspectorate of State Corporations

The Inspector General (Corporations) under section 18(2) of the State Corporations Act may attend meetings of any state corporation or an of the Board or Committee as he/she deems necessary for the effective performance of their duties under the Act. During the Year under review, the representative from the State Corporations attended the Board meetings.

8.8 Board Charter

The Board has a charter that outlines the Board Composition, roles and responsibilities. The Key provisions of the Charter include:

- a. The roles of the Board Chairman, Directors and CEO;
- b. Committees of the Board and clear definition of delegated powers of the committees with Board remaining accountable for all the decisions;
- c. The Board Almanac, notice of meetings, rules of meetings, frequency of board meetings;
- d. Declaration of conflict of interest and maintenance of conflict of interest register for all meetings.
- e. Board Communication, engagement of experts and interaction with external stakeholders.
- f. Board compliance with all relevant laws, regulation and code of ethics; and
- g. Guidelines on the director's remuneration, orientation and training.

8.9 Board remuneration

The Members of the Board are paid allowances when undertaking the business of the Authority as outlined in their letters of appointment. The payment is guided by the State Corporations Act, Circulars issued by the Salaries and Remuneration Commission and other circulars issued by the government from time to time.

8.10 Conflict of interest

The Directors are bound by a statutory and fiduciary duty to act in the best interests of the Authority and are therefore required to avoid any situations that may give rise to actual or perceived conflicts of interest. In line with these obligations, Directors are required to fully disclose to the Board any real or potential conflicts of interest whether, direct or indirect, that may come to their attention in the course of their duties.

During the financial year under review, the Board adhered to its duty to avoid circumstances where individual interests could conflict with those of the Authority. All business transactions involving Directors or their related parties were conducted strictly at arm's length, ensuring transparency and integrity in decision-making.

In instances where a matter before the Board may result in a conflict of interest, Directors are required to declare such conflicts promptly and to recuse themselves from any discussion or decision related to the matter. Notice of any potential conflict must be given in advance to the Chairperson or the Corporation Secretary and is formally tabled at the subsequent Board or Committee meeting.

Additionally, the declaration of conflicts of interest is a standing agenda item addressed at the commencement of every Board and Committee meeting. Directors who declare a conflict are excluded from the quorum and do not participate in any deliberations or voting on the matter in which they are conflicted.

During the year, various instances of conflict of interest were duly declared and appropriately managed, in accordance with established governance protocols, thereby upholding the principles of integrity, accountability, and good corporate governance.

8.11 Induction, Training, and Development

During the financial year, the Authority facilitated the induction of several appointed members of the Board. The objective of this induction was to enhance their capacity in key areas of corporate governance, strategic oversight, and fiduciary responsibility in line with their mandate under the NIFC Act, 2017. The induction programme was conducted by the State Corporations Advisory Committee (SCAC), in collaboration with the Institute of Certified Secretaries (ICS). This initiative was aimed at equipping the Board with the requisite knowledge, skills, and ethical grounding necessary to effectively discharge their duties and uphold the principles of good governance within the Authority.

In addition, several board members attended various trainings, seminars, workshops and sensitization for that focussed on aspects such as Audit, Risk Management, Resource mobilization and governance.

8.12 Ethics and Conduct

The Nairobi International Financial Centre Authority (NIFCA) is committed to maintaining the highest standards of integrity, ethical conduct, and professionalism. The Board upholds this commitment by adhering to the Code of Ethics for State Corporations and the Mwongozo Code of Governance, ensuring transparency, accountability, and responsible leadership. This commitment is reinforced through continuous governance training, performance evaluations, and the integration of ethics into strategic decision-making.

8.13 Governance audit

The Nairobi International Financial Centre Authority (NIFCA) is committed to entrenching a culture of good governance, transparency, and accountability in all its operations. In line with this commitment and the applicable legal and regulatory frameworks, the Authority recognises governance audits as a critical tool for evaluating the effectiveness of its governance structures, systems, and processes.

During the reporting period, the Authority undertook deliberate steps to prepare for a comprehensive governance audit, in accordance with the guidelines issued by the State Corporations Advisory Committee (SCAC) and other relevant oversight bodies.

NIFCA remains dedicated to implementing recommendations arising from governance audits as part of its continuous improvement agenda. This proactive approach ensures that the Authority not only meets but exceeds governance expectations, thereby strengthening institutional performance and enhancing public confidence in its mandate.

9.0 Management Discussion and Analysis

I. Financial Performance

The Financial Performance of the Authority for the twelve months ended 30th June 2025 is presented herewith in line with the requirements of the NIFC Act 2017, Public Finance Management Act 2012, Public Audit Act 2015, and the International Public Sector Accounting Standards.

a) Revenue

The Authority's received Kshs. 70.36 million from the exchequer against an approved estimate of Kshs.110.12 million hence creating an exchequer receivable of Kshs. 39.76 million from the National Treasury. The Authority in addition budgeted to earn revenue from fees and other charges of Kshs. 9 million, however, actual revenue earned from fees and other charges amounted to Kshs. 2.025 million, resulting to a variance of Kshs. 6.975 million.

b) Expenditure

The total expenditure of the Authority for 2024-2025 FY stood at Kshs. 77.12 million compared to approved expenditure budget of Kshs. 112.15 million.

c) Cash Flow Statement

The cash and cash equivalent for FY 2024-2025 stood at Kshs. 45.24 million as at the end of financial year.

d) Surplus/deficit

In the 2024-2025 financial year, the Authority realized a surplus of Kshs. 35.02 million.

10.0 Environmental and Sustainability Reporting

i) Sustainability strategy and profile

NIFCA positions sustainability as a core pillar of the Centre's value proposition by promoting green and sustainable finance and partnering with global platforms like Financial Centres for Sustainability (FC4S), and nurturing frameworks for green finance and carbon markets in Kenya and beyond.

The Authority's core purpose to make Nairobi a premier financial hub while catalyzing green and sustainable finance in Kenya and the wider region aligns well with Kenya's Vision 2030, the Bottom-Up Economic Transformation Agenda (BETA), and the SDGs.

Sustainability considerations are embedded in the Authority's architecture: the NIFC Regulations require the Authority to assess the environmental and social impact of an applicant's business plan when certifying NIFC firms.

ii) Environmental performance

NIFC communications emphasize building an ecosystem for sustainable finance, hence signposting Kenya's *green evolution*, encouraging firms to operate in the Centre with a sustainability lens, and developing enabling frameworks such as carbon market and green finance.

NIFCA Board of Directors are using e-board digital platforms thus reducing paperwork and promoting green environment

iii) Employee welfare

NIFCA human resource environment is guided by public service best practices. Staff training and capacity building including CPD hours, staff diversity and inclusion, occupational health & safety, and employee engagement, fair, merit-based recruitment aligned to public service rules are the key norms guiding people management at NIFCA.

All members of staff have medical insurance to cater to the well-being of themselves and their families.

iv) Corporate Social Responsibility

NIFCA technical team engages stakeholders on financial-sector literacy, innovation support, and sustainability awareness through collaborations and partnerships. Throughout the year and at these very formative stages the team conducted key stakeholder sessions geared towards financial literacy, future certifications and Authority's visibility.

11.0 Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Authority's affairs.

i) Principal activities

The principal activities of the Authority are:

- a) Establish and maintain an efficient operating framework to attract and retain firms
- b) Develop and recommend strategies and incentive structures in collaboration with relevant agencies to attract firms to be NIFC firms; and
- c) Review and recommend, in collaboration with the relevant regulatory authorities' developments to the legal and regulatory framework to develop Kenya as an internationally competitive financial centre.

ii) Results

The results of the Authority for the year ended June 30, 2025, are set out on page 1 to 33

iii) Directors

The members of the Board of Directors who served during the year are shown on page ix-xii.

iv) Surplus Remission

The Authority is not a regulatory body within the meaning of Regulation 219 (2) of the Public Financial Management (National Government) Regulations.

v) Auditors

The Auditor-General is responsible for the statutory audit of the Nairobi International Financial Centre Authority in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
NELSON MAGUNGA

Ag. SECRETARY TO THE BOARD

12.0 Statement of Directors Responsibilities

Section 81 of the Public Finance Management Act, 2012 and section 24 of the Nairobi International Financial Centre Act 2017, require the Directors to prepare financial statements in respect of the Authority, which give a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the Authority for that year/period. The Directors are also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Directors are also responsible for safeguarding the assets of the Authority.

The Directors are responsible for the preparation and presentation of the Authority's financial statements, which give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the Authority; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the State Corporations Act 2012, and the Nairobi International Financial Centre Act 2017. The Directors are of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2025, and of the Authority's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Authority, which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NAIROBI INTERNATIONAL FINANCIAL CENTRE AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Nairobi International Financial Centre Authority set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows, and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with

the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Nairobi International Financial Centre Authority as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Nairobi International Financial Centre Act, 2027 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unauthorized Spending Beyond the Approved Budget

The statement of comparison of budget and actual amounts reflects actual expenditure of Kshs.77,120,733 against an approved budget of Ksh.112,145,000 on a comparable basis. Included in the actual expenditure were over expenditure amounts of Kshs.10,467,932, Kshs.1,544,796 and Kshs.5,831,254 spent under board expenses, insurance and medical expenses and administrative expenses respectively totaling Kshs.17,843,982 that had not been included in the approved budget as indicated below.

| Description | Budgeted Amount (Kshs.) | Actual Amount Spent (Kshs.) | Over Expenditure Amount (Kshs.) |
|-------------------------|--------------------------------|------------------------------------|--|
| Board Expenses | 9,369,989 | 19,837,921 | 10,467,932 |
| Insurances and Medical | 2,299,187 | 3,843,983 | 1,544,796 |
| Administrative expenses | 17,931,000 | 23,762,254 | 5,831,254 |
| Total | 29,600,176 | 47,444,158 | 17,843,982 |

In the circumstances, the regularity of the expenditure totalling Kshs.17,843,982 could not be confirmed.

2. Unsupported Administrative Expenses

The statement of financial performance and, as disclosed in Note 13 to the financial statements, reflects payments in respect of administrative expenses totalling Kshs.23,762,254. However, expenditure amounting to Kshs.7,387,776 was not supported. Further, the expenditure includes communication costs of Kshs.133,225, advertisement, promotions and publicity of Kshs.539,402 and recruitment costs of Kshs.519,911 which differ from the amounts reflected in the respective ledgers of Kshs.143,225, Kshs.744,447 and Kshs.539,402 by unexplained variances of Kshs.10,000, Kshs.205,045 and Kshs.19,491, respectively.

In the circumstances, the accuracy, regularity and completeness of the administrative expenses amounting to Kshs.23,762,254 could not be confirmed.

3. Unsupported Capital Fund Balance

The statement of financial position reflects a balance of Kshs.6,628,324 in respect of capital fund which, as disclosed in Note 18 to the financial statements, comprises of Kshs.3,419,817 and Kshs.4,278,009 relating to inherited bank balance and capital fund respectively and a negative balance of Kshs.1,069,502 being transfer of depreciation from capital fund to retained earnings. However, no documentary evidence including schedules were provided to support the balances. In addition, the opening balance of capital fund of Kshs.5,704,013 was reduced by depreciation amount of Kshs.1,426,000. This treatment was not explained.

In the circumstances, the accuracy and completeness of the capital fund balance of Kshs.6,628,324 could not be ascertained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Nairobi International Financial Centre Authority Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts reflects final budget and actual receipts on comparable basis of Kshs.112,145,000 and Kshs.72,367,000, respectively resulting to an under collection by Kshs.39,778,000 or 35% of the budget.

The under collection may have affected the Authority's planned activities and consequently may have impacted negatively on effective service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Un-resolved Prior Year Matters

In the audit report of the previous year, issues on unsupported property, plant and equipment balance and unsupported cash and cash equivalents were raised under the Report on the Financial Statements. However, Management had not resolved the issues as at 30 June, 2025.

Other Information

The Directors are responsible for the Other Information set out on page v to xl which comprise of Key Authority Information and Management, The Board of Directors, Key Management Team, Report of the Chairman, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Directors and Statement of Directors Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Authority's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Compliance with Guidelines on Board Expenditure

The statement of financial performance reflects Board expenses of Kshs.19,837,921 which, as disclosed in Note 8 to the financial statements, includes travel expenses of Kshs.9,540,700. Review of the travel attributed to board expenses indicate that some Board members participated in activities that were executive functions in nature including participation in trade and investment forums and ICPAK workshops. This was contrary to Part D(2) of Circular OP/CAB.9/1A dated 11 March, 2020 on Management of State Corporations which requires, *inter alia*, that field/inspection visits, as well as international engagements are an executive function that fall in the domain of executive team led by the Chief Executive Officer.

Further, an amount of Kshs.1213,577 was incurred on foreign training contrary to Part D(3) of the Circular that requires board members to refrain from undertaking international training programs that are locally available.

In the circumstances, the Board was in breach of the guidelines.

2. Lack of Key Human Resource Documents in Personal Files

Review of personnel files revealed that key human resource documents including secondment letters, contractual documents, approval of secondment from Public Service Commission, copies of academic certificates and identification, appraisals, copies of curriculum vitae and staff bio data were missing in the files of three members of staff with personal numbers P/NO 1992046775, P/NO 1985095349 and P/NO 1987054682. This is contrary to Section 74(1) of the Employment Act, 2007 which states that an employer shall keep a written record of all employees employed by him, with whom he has entered into a contract under this Act.

In the circumstances, Management was in breach of the law.

3. Failure to Develop Key Governance Instruments

The Authority lacks a Strategic Plan and has not developed policies or frameworks necessary for operationalization of the Authority. During the year under review, the Authority incurred expenditure totalling Kshs.77,120,733 on various activities but did not produce policy documents to guide the Centre in achieving its objectives.

In the circumstances, the effectiveness of the Authority in achieving its mandate could not be confirmed.

4. Non-Compliance with Public Procurement and Asset Disposal Regulations

During the year under review, the Authority procured office stationery and computers totalling Kshs.2,327,500. This included purchase of 100 reams of photocopying paper at a unit cost of Kshs.1,350 per ream which appeared inflated and there was no evidence that the Authority, through the National Treasury's Procurement Department, conducted a market survey to ascertain fair pricing contrary to Section 223 (1)(c) of the Public Procurement and Asset Disposal Act, 2015 which states that, inter alia, public officer of a procuring entity shall not procure good, works, or services at unreasonably inflated prices beyond the indicative market survey.

In the circumstances, Management was in breach of the law.

5. Irregular Secondment of Staff

Review of Human Resources records revealed that on 21 September, 2023, the Authority, through a letter Ref. No. 230921 NIFCA, requested for the secondment of an Officer from Retirement Benefits Authority (RBA). However, RBA approved the Authority's request and seconded the Officer but without approval from the Public Service Commission contrary to the provisions of Section 42(5) and (6) of the Public Service Commission Act, 2017 which stipulates that the authority to second a public officer rests solely with the Public Service Commission (PSC). A request for secondment must be approved in writing by the PSC before implementation, and the duration of secondment must comply with prescribed limits under the Act.

In the circumstances, Management was in breach of the law.

6. Irregularities in Imprest Management

Review of imprest records revealed multiple imprests issued before surrender of previous ones where Officers were issued additional imprests totalling Kshs.815,050

without clearing outstanding balances, contrary to Regulation 93(4)(b) and 93(8) of the Public Finance Management (National Government) Regulations, 2015. Further, there was delayed surrender of imprests where several sampled imprests amounting to Kshs.1,238,300 were surrendered beyond the stipulated seven working days after returning to duty station, as required by Regulation 93(5) of the Regulations.

In the circumstances, Management was in breach of the law.

7. Non-Compliance with Guidelines on Training

The statement of financial performance reflects administrative expenses amounting to Kshs.23,762,254 which include payments in respect of foreign travel expenses amounting to Kshs.5,479,049 as disclosed in Note 13 to the financial statements. The expenditure includes subsistence allowance on training amounting to Kshs.1,680,362. However, no evidence was provided to confirm approvals from the Public Service Commission for the trainings as required by the Guidelines on Managing Training in the Public Service dated February, 2017 which require approval to train in foreign based institutions to be granted only in instances where the course applied is not available in any local institution.

Further, one officer was paid per diems at a rate equivalent to Job Group S, but there was no documentation to support his promotion to that position. In addition, there was no evidence that the Human Resources Department conducted a training needs assessment.

In the circumstances, Management was in breach of the Guidelines.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Weak Payroll Controls

During the year under review, the Authority operated a manual payroll system. One officer was responsible for processing, checking and authorizing payroll transactions, resulting in inadequate segregation of duties. Further, it was observed that only three

(3) members of staff were paid monthly commuter allowance against recommendation by the Salaries and Remuneration Commission.

In the circumstances, there is increased risk of payroll errors, unauthorized payments, and lack of accountability and transparency in payroll operations.

2. Lack of Disaster Recovery and Risk Management Policies

Review of the Authority's internal controls identified significant deficiencies, specifically the absence of both a disaster recovery/business continuity plan and a formal risk management policy.

In the circumstances, the Authority is exposed to operational disruptions, fraud risks and weak governance, undermining accountability and service continuity.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

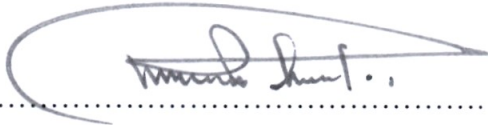

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

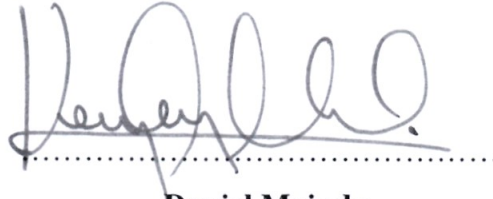
08 December, 2025

Approval of the financial statements

The Authority's financial statements were approved by the Board on 28th August 2025 and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'Michael Kamau Kamiru', written over a horizontal dotted line.

Michael Kamau Kamiru
Chairperson of the Board

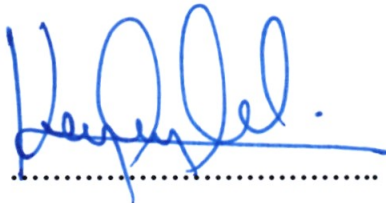
A handwritten signature in blue ink, appearing to read 'Daniel Mainda', written over a horizontal dotted line.

Daniel Mainda
Accounting Officer

14.0 Statement of Financial Performance for the year ended 30th June 2025

| | Note | 2024-2025 | 2023-2024 |
|---|------|--------------------|-------------------|
| | | Kshs | Kshs |
| Revenue from non-exchange transactions | | | |
| Revenue from Non – Exchange | 6 | 112,145,000 | 92,336,750 |
| Total Revenue | | 112,145,000 | 92,336,750 |
| Expenses | | | |
| Personnel Emoluments | 7 | 23,980,166 | 35,878,491 |
| Board Expenses | 8 | 19,837,921 | 1,634,743 |
| Depreciation and Amortization Expense | 9 | 4,829,209 | 1,796,327 |
| Repairs and Maintenance | 10 | | - |
| Insurances and Medical | 11 | 3,843,983 | - |
| Used of Goods and services | 12 | 867,200 | - |
| Administrative expenses | 13 | 23,762,254 | 6,841,852 |
| Total Expenses | | 77,120,733 | 46,151,413 |
| Net Surplus /Deficit for the Year | | 35,024,267 | 46,185,337 |

The notes set out on pages 6 to 33 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:



Name: Daniel Mainda
Accounting Officer

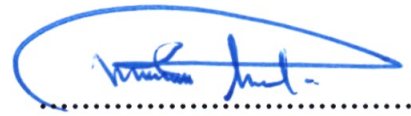
Date 11th December 2025



Name: Seth Onyango
Head of Finance

ICPAK M/No: 11627

Date 11th December 2025



Name: Michael Kamiru
Chairman of the Board


Date 11th December 2025

Nairobi International Financial Centre Authority
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for the year ended June 30, 2025.

15.0 Statement of Financial Position as at 30th June 2025

| Assets | Note | 2024-2025 | 2023-2024 |
|--|------|--------------------|-------------------|
| | | Kshs | Kshs |
| Current assets | | | |
| Cash and cash equivalents | 14 | 45,254,048 | 56,192,680 |
| Receivables from Non-Exchange Transactions | 15 | 40,097,400 | 319,400 |
| Total Current Assets | | 85,351,448 | 56,512,080 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 16 a | 36,553,449 | 7,532,098 |
| Intangible Assets | 16 b | 3,192,320 | - |
| Total Non - Current Assets | | 39,745,769 | 7,532,098 |
| Total Assets | | 125,097,217 | 64,044,178 |
| Liabilities | | | |
| Current Liabilities | | | |
| Creditors | 17 | 33,723,865 | 7,695,092 |
| Total current liabilities | | 33,723,865 | 7,695,092 |
| Net Assets | | 91,373,352 | 56,349,086 |
| Equity | | | |
| Capital Fund | 18 | 6,628,324 | 7,697,826 |
| Accumulated Surplus | 19 | 84,745,028 | 48,651,258 |
| Total Net Assets | | 91,373,352 | 56,349,084 |
| Total Net Assets and Liabilities | | 125,097,217 | 64,044,176 |

The financial statements set out on pages 1 to 6 were signed on behalf of the Board of Directors by:




Name: Daniel Mainda
Accounting Officer

Date 11th December 2025



Name: Seth Onyango
Head of Finance
ICPAK M/No: 11627

Date 11th December 2025



Name: Michael Kamiru
Chairman of the Board

Date 11th December 2025

16.0 Statement of Changes in Net Assets as at year ended 30th June 2025

| | Accumulated Surplus | Capital Fund | Total |
|--|---------------------|-------------------|-------------------|
| | Kshs | Kshs | Kshs |
| As at July 1, 2023 | 1,039,918 | 9,123,830 | 10,163,747 |
| Surplus/ deficit for the year | 46,185,337 | - | 46,185,337 |
| Transfer of depreciation/amortisation from capital fund to retained earnings | 1,426,003 | (1,426,003) | - |
| As at June 30, 2024 | 48,651,258 | 7,697,826. | 56,349,084 |
| | | | |
| As at July 1, 2024 | 48,651,258 | 7,697,826 | 56,349,085 |
| Surplus/ (deficit) for the year | 35,024,267 | - | 35,024,267 |
| Capital/development grants received during the year | - | - | - |
| Transfer of depreciation/amortisation from capital fund to accumulated surplus | 1,069,502 | (1,069,502) | - |
| As at June 30, 2025 | 84,745,028 | 6,628,324 | 91,373,352 |

Nairobi International Financial Centre Authority
Annual Report and Financial Statements
for the year ended June 30, 2025.

17.0 Statement of Cash Flows for the year ended 30th June 2025

| | Notes | 2024-2025 | 2023-2024 |
|---|-------|---------------------|--------------------|
| | | Kshs | Kshs |
| Cash flows from operating activities | | | |
| Receipts | | | |
| Government grants | 6 | 70,342,000 | 90,360,000 |
| Other income | 6 | 2,025,000 | 1,976,750 |
| Total Receipts | | 72,367,000 | 92,336,750 |
| Payments | | | |
| Personnel Emoluments | 7 | 24,385,873 | 35,878,492 |
| Board Expenses | 8 | 19,837,921 | 1,634,743 |
| Repairs and Maintenance | 10 | - | - |
| Insurances and Medical | 11 | 3,843,983 | - |
| Used of Goods and services | 12 | 867,200 | - |
| Administrative expenses | 13 | 23,762,254 | 6,841,852 |
| Total payments | | 72,697,231 | 44,355,087 |
| Net cash flows from/(used in) operating activities | | (330,231) | 47,981,663 |
| Working Capital Activities | | | |
| Increase/Decrease in Creditors | | | 7,244,718 |
| Increase/Decrease in Debtors | | | 852,900 |
| Net cash flows from/(used in) Working Capital activities | | | 8,097,618 |
| Cash flows from investing activities | | | |
| Purchase of PPE and Intangible Assets | | (10,608,400) | (2,390,000) |
| Proceeds from sale of PPE | | | |
| Net cash flows from/(used in) investing activities | | (10,608,400) | (2,390,000) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | | |
| Repayment of borrowings | | | |
| Proceeds from issue of shares | | | |
| Net cash flows from financing Activities | | | |
| Net increase/(decrease) in cash & cash equivalents | | (10,938,631) | 53,689,282 |
| Cash and cash equivalents at 1 July | 14 | 56,192,679 | 2,503,396 |
| Cash and cash equivalents at 30 June | 14 | 45,254,048 | 56,192,678 |

18.0 Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2025

| | Original Budget | Adjustments | Final Budget | Actual on comparable basis | Performance difference | %Var | Notes |
|---|-------------------|-------------------|--------------------|----------------------------|------------------------|--------------|------------|
| | 2024-2025 | 2024-2025 | 2024-2025 | 2024-2025 | 2024-2025 | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | | |
| | a | b | c=(a+b) | d | e=(c-d) | f=d/c*100 | |
| <i>Budget Carry-Overs from previous year*</i> | - | 56,192,679 | 56,192,679 | 56,192,679 | - | | |
| Receipts | | | | | | | |
| Government Grant | 70,360,000 | 39,760,000 | 110,120,000 | 70,342,000 | (39,778,000) | (57%) | i |
| Other Income | 9,000,000 | (6,975,000) | 2,025,000 | 2,025,000 | - | - | ii |
| Total Receipts | 79,360,000 | 32,785,000 | 112,145,000 | 128,559,679 | (39,778,000) | (31%) | |
| Payments | | | | | | | |
| Personnel Emoluments | 35,836,821 | (10,435,212) | 25,401,609 | 24,385,873 | 1,015,736 | 4% | iii |
| Board Expenses | 5,369,989 | 11,590,011 | 16,960,000 | 19,837,921 | (2,877,921) | (17%) | iv |
| Insurances and Medical | 1,100,000 | 2,743,983 | 3,843,983 | 3,843,983 | - | - | |
| Used of Goods and Services | 500,000 | 360,000 | 860,000 | 867,200 | (7,200) | (1%) | |
| Administrative Expenses | 14,129,090 | 13,333,033 | 27,462,123 | 23,762,254 | 3,699,869 | 13% | v |
| Total Payments | 56,935,900 | 17,591,815 | 74,527,715 | 72,697,231 | (15,761,331) | (21%) | |
| Capital Expenditure Payments | - | - | - | 10,608,400 | - | - | - |
| Surplus Fund | 22,424,100 | 15,193,185 | 37,617,285 | 45,254,048 | (22,829,948) | (61%) | |

Budget notes

i. Government Grants

The Authority received Kshs. 70.36 million from the exchequer against an approved estimate of Kshs.110.12 million hence creating an exchequer receivable of Kshs. 39.76 million which was not actually received during the period under review.

ii. Other Income

The Authority anticipated admission of additional firms into NIFC however this did not materialize due to lack incentives to firms intending to be admitted. The Authority shall develop strategies for generation of additional internal revenue such as investment of surplus funds not for immediate use and seeking certification of more firms into the NIFC

iii. Personnel Emoluments

The Authority recruited seventeen staff into the workforce. Staff Pension and gratuities was subsequently provided accordingly and thus, the cost of Personnel Emoluments increased significantly.

iv. Board Expenses

The Board expenses significantly increased due to various committee meetings occasioned by several activities undertaken by the board especially in Q3 & Q4 due to staff recruitment processes. The additional Board meetings were approved by the National Treasury and the increased budget was approved by the board through re-allocations under Supplementary Estimates No. III

v. Administrative expenses

Travel and associated costs towards conference, seminars, workshops facilities increased due to the staff recruitment of exercise

19.0 Notes to the Financial Statements

1. General Information

Nairobi International Financial Centre Authority is established by and derives its authority and accountability from Nairobi International Financial Centre Act 2017. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activities are —

- a) establish and maintain an efficient operating framework to attract and retain firms
- b) develop and recommend strategies and incentive structures in collaboration with relevant agencies to attract firms to be Nairobi International Financial Centre firms; and
- c) review and recommend, in collaboration with the relevant regulatory authorities' developments to the legal and regulatory framework to develop Kenya as an internationally competitive financial centre.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Nairobi International Financial Centre Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new amended standards in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

| Standard | Effective Date and Impact: |
|--|---|
| IPSAS 43 – Leases | <p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>These changes have been assessed, and the Authority's assets will be impacted upon application of this standard. The Authority is in the process of assigning the standard for implementation. The Authority will consider adoption of standards beginning 1st July, 2025 once acquisition of office space is concluded.</i></p> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>These changes have been assessed and at the moment they have no effect on the operations of the Authority. Where the Authority identifies assets for sale, they shall be classified separately from PPE in the year such decision is made.</i></p> |
| IPSAS 45: Property Plant and Equipment | <p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet</p> |

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| Standard | Effective Date and Impact: |
|----------------------------------|---|
| | <p>the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>The Authority has assessed the application of the standard. The Authority does not have heritage and infrastructure assets thus no impact to the existing assets of the authority. The Authority will apply this new standard beginning 1st July, 2025</i></p> |
| <p>IPSAS 46: Measurement</p> | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>Upon its effective adoption date in Kenya on 1st July, 2025, the Authority shall implement the requirements of this IPSAS to its current operational values</i></p> |

i. Early adoption of standards

The Authority did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from Non-Exchange Transactions

Fees, taxes and fines

The Authority recognizes revenues from fees, taxes and fines when the event occurs, and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions

Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for the Current FY was approved by the National Assembly on 30th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Entity upon receiving the respective approvals in order to conclude the final budget.

The Authority's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by

presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in these financial statements.

c) (i) Property, plant, and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

ii) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the *Authority*. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Authority* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Authority* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Authority*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

(iii) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

(iv) Depreciation, Amortization, Impairment Methods and Rates

The Authority applies the straight-line method of depreciation, as it best reflects the pattern of the asset's consumption of its future economic benefits or service potential. Depreciation begins when the asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date of derecognition. The depreciable amount is the cost of the asset less its residual value. The residual value and the useful life of an asset are reviewed at least at each annual reporting date. The table below indicates the various classes of assets and the depreciation/amortization rates.

| PPE Item | Depreciation Rate |
|---------------------------|--------------------------|
| Land | - |
| Buildings | 2% |
| Motor-Vehicles | 12.5% |
| Furniture and fittings | 12.5% |
| Computers & ICT Equipment | 30% |
| Work in progress (WIP) | - |

| Intangible Asset Item | Amortization Rate |
|------------------------------|--------------------------|
| Software | 20% |

Impairment The authority assesses at each reporting date whether there is any indication that an asset may be impaired. If an indication exists, the recoverable amount of the asset is

estimated. An impairment loss is recognized immediately in the statement of financial performance.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of financial performance.

d) Research and development costs

The *Authority* expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the *Authority* can demonstrate:

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset.
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset.
- v) The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

e) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Authority does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i) Financial Assets

Classification of financial assets

The Authority classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the Authority's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the Authority classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through Net Assets/ Equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and

foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The Authority assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Authority recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

ii) Financial liabilities

Classification

The Authority classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

f) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.

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- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Authority*.

g) Provisions

Provisions are recognized when the *Authority* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Authority* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

h) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The *Authority* recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the *Authority* will incur in fulfilling the present obligations represented by the liability.

i) Contingent liabilities

The *Authority* does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

j) Contingent assets

The Authority does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Nature and purpose of reserves

The Authority creates and maintains reserves in terms of specific requirements.

l) Changes in accounting policies and estimates

The Authority recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

m) Employee benefits

Retirement benefit plans

The *Authority* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Authority pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation. The Authority is yet to establish a Retirement Benefit Plan for staff.

n) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date.

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Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed, and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

The *Authority* regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *Authority*, or vice versa. Members of key management are regarded as related parties and comprise *the directors, the CEO and senior managers*.

q) Service concession arrangements

The *Authority* analyses all aspects of service concession arrangements that it enters in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the *Authority* recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the *Authority* also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

r) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

s) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

t) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Authority's* financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset based on the assessment of experts employed by the Authority.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. (i) Revenue from Non-Exchange Transactions

| Description | 2024-2025 | 2023-2024 |
|------------------|--------------------|-------------------|
| | Kshs | Kshs |
| Government Grant | 110,120,000 | 90,360,000 |
| Other Incomes | 2,025,000 | 1,976,750 |
| Total | 112,145,000 | 92,336,750 |

(ii) Other Income -FY 2024/2025

| # | Revenue Source Name | Income Source Category | Amount (Kshs) |
|---|---------------------|------------------------|------------------|
| 1 | Nairobi Pesa City | Application Fees | 25,000 |
| 2 | Prudential Africa | Renewal Fees | 2,000,000 |
| | Total | | 2,025,000 |

(iii) Actual Revenue from Non-Exchange Transactions

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Total Revenue from Non-Exchange Transactions | 110,120,000 | 92,336,750 |
| Less: Increase in Non-Exchange Receivables | (39,778,000) | - |
| Total | 70,342,000 | 92,336,750 |

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7. Personnel Emolument

| Description | 2024-2025 | 2023-2024 |
|-----------------------|-------------------|-------------------|
| | Kshs | Kshs |
| Personnel Cost | 23,980,166 | 35,878,491 |
| Pension contributions | - | - |
| Total | 23,980,166 | 35,878,491 |

8. Board Expenses

| Description | 2024-2025 | 2023-2024 |
|-------------------------|-------------------|------------------|
| | Kshs | Kshs |
| Chairman's Honoraria | 960,000 | 424,838 |
| Sitting Allowance | 8,138,621 | 797,000 |
| Board Training Expenses | 1,198,600 | 120,000 |
| Travel Expenses | 9,540,700 | 292,905 |
| Total | 19,837,921 | 1,634,743 |

9. Depreciation and Amortization Expense

| Description | 2024-2025 | 2023-2024 |
|-------------------------------|------------------|------------------|
| | Kshs | Kshs |
| Property, Plant and Equipment | 4,031,129 | 1,796,327 |
| Intangible Asset – Software | 798,080 | - |
| Total | 4,829,209 | 1,796,327 |

10. Repairs and Maintenance

| Description | 2024-2025 | 2023-2024 |
|--------------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Computers and Other Office Equipment | - | - |
| Total | - | - |

11. Insurances and Medical

| Description | 2024-2025 | 2023-2024 |
|----------------------------------|-----------|-----------|
| | Kshs | Kshs |
| Medical Insurance | 3,843,983 | - |
| Assets and Equipment's Insurance | - | - |
| GPA insurance | - | - |

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| | | |
|-------------------------|------------------|----------|
| Motor vehicle insurance | - | - |
| Total | 3,843,983 | - |

12. Used of Goods and services

| Description | 2024-2025 | 2023-2024 |
|--|----------------|-----------|
| | Kshs | Kshs |
| Other expenditures -Training and Development | 867,200 | - |
| Total finance costs | 867,200 | |

13. Administrative expenses

| Description | 2024-2025 | 2023-2024 |
|---|-------------------|------------------|
| | Kshs | Kshs |
| Travel & Accommodation Local Travel | 10,338,912 | 1,168,420 |
| Travel & Accommodation Foreign Travel | 5,479,049 | - |
| Office Stationery, Printing Etc | 2,309,390 | 373,310 |
| General Office Supplies | 62,165 | 470,699 |
| Communication Costs | 133,225 | 731,809 |
| Hospitality and Office Refreshments | 313,348 | 1,770 |
| Telephone, Mobile and Internet Services | 249,205 | 1,032,944 |
| Advertisement, Promotions and Publicity | 539,402 | 826,750 |
| Seminars, Conference, Workshops | 3,135,123 | 938,752 |
| Bank Charges & Commissions | 85,964 | 16,648 |
| Recruitment Costs | 519,911 | - |
| Staff Welfare | 560,000 | - |
| Subscriptions | 36,560 | |
| PRU | - | 1,280,750 |
| Total General Expenses | 23,762,254 | 6,841,852 |

14. Cash and Cash Equivalents

| Description | 2024-2025 | 2023-2024 |
|---------------------------|------------|------------|
| | Kshs | Kshs |
| KCB Current Account | 45,254,048 | 56,088,878 |
| Cash in Hand | | 26,602 |
| Staff outstanding Imprest | | 77,200 |

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| | | |
|-------|------------|------------|
| Total | 45,254,048 | 56,192,680 |
|-------|------------|------------|

15. Receivables

(i) Receivables from Non-Exchange Transactions

| Description | 2024-2025 | 2023-2024 |
|----------------------|-------------------|-----------|
| | Kshs | Kshs |
| Exchequer Receivable | 39,760,000 | - |
| Total | 39,760,000 | - |

(ii) Receivables from Exchange Transactions

| Description | 2024-2025 | 2023-2024 |
|---------------------------|----------------|----------------|
| | Kshs | Kshs |
| Sundry Debtors | - | 82,000 |
| Debtors | 237,400 | 237,400 |
| Staff Outstanding Imprest | 100,000 | - |
| Total | 337,400 | 319,400 |

16. (a) Property, Plant, and Equipment

| | Motor Vehicles | Computers | Fixtures and Fittings – Work-in-Progress | Total |
|-------------------------------------|------------------|-------------------|--|-------------------|
| Cost | Kshs | Kshs | Kshs | Kshs |
| At 1st July 2024 | 7,605,350 | 1,334,500 | 2,390,000 | 11,329,850 |
| Additions | - | 6,618,000 | 26,434,480 | 33,052,480 |
| Transfers/Adjustments | - | 2,390,000 | (2,390,000) | - |
| At 30th June 2025 | 7,605,350 | 10,342,500 | 26,434,480 | 44,382,330 |
| Depreciation and Impairment | | | | |
| As at 1 st July, 2023 | 1,901,338 | 100,088 | - | 2,001,425 |
| Depreciation | 1,426,003 | 370,324 | - | 1,796,327 |
| | | | | |
| At 1st July 2024 | 3,327,341 | 470,411 | - | 3,797,752 |
| Depreciation | 1,069,502 | 2,961,627 | - | 4,031,129 |
| Transfers/ adjustments | - | - | - | - |
| At 30th June 2025 | 4,396,843 | 3,432,038 | - | 7,828,881 |
| Net Book Values | | | | |
| At 30th June 2024 | 4,278,009 | 864,089 | 2,390,000 | 7,532,098 |
| At 30th June 2025 | 3,208,507 | 6,910,462 | 26,434,480 | 36,553,449 |

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| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

16(b) Property, Plant and Equipment at Cost

If the assets were stated on the historical cost basis the amounts would be as follows:

| Description | Cost | Accumulated Depreciation | NBV |
|---------------------------------|-------------------|--------------------------|-------------------|
| | Kshs | Kshs | Kshs |
| Motor Vehicles | 7,605,350 | 4,396,843 | 3,208,507 |
| Computers and Related Equipment | 10,342,500 | 3,432,038 | 6,910,462 |
| Work-in-Progress | 26,434,480 | - | 26,434,480 |
| Total | 44,382,330 | 7,828,881 | 36,553,449 |

16 (c) Intangible Asset- Software

| Cost | Softwares Kshs. | Total Kshs |
|-------------------------------------|--------------------|------------------|
| At 1st July 2024 | - | - |
| Additions | 3,990,400 | 3,990,400 |
| Disposals | | - |
| Transfers/Adjustments | | - |
| At 30th June 2025 | 3,990,400 | 3,990,400 |
| Amortization and Impairment | | |
| At 1st July 2024 | - | - |
| Amortization | 798,080 | 798,080 |
| Disposals | - | - |
| Transfers/ adjustments | - | - |
| At 30th June 2025 | 798,080 | 798,080 |
| Net Book Values | 3,192,320 | 3,192,320 |

16(d) Intangible Asset at Cost

If the assets were stated on the historical cost basis the amounts would be as follows:

| Description | Cost | Accumulated Amortization | NBV |
|--------------|------------------|--------------------------|------------------|
| | Kshs | Kshs | Kshs |
| Software | 3,990,400 | 798,080 | 3,192,320 |
| Total | 3,990,400 | 798,080 | 3,192,320 |

17. Trade and Other Payables

| Description | 2024-2025 | 2023-2024 |
|------------------------|-------------------|------------------|
| | Kshs | Kshs |
| Staff Gratuities | 1,254,756 | 2,322,737 |
| Seconded staff top up | - | 402,532 |
| RBA Refund | 4,556,610 | 1,474,380 |
| PAYE | - | 3,437,403 |
| NHIF | - | 17,000 |
| NSSF | - | 41,040 |
| Trade Payables | 26,434,480 | |
| Employee Payables | 1,478,019 | - |
| Total | 33,723,865 | 7,695,092 |
| Ageing Analysis | | |
| Under 1 Year | 27,912,499 | |
| 1-2 Years | 5,811,366 | |
| 2-3 Years | - | |
| Over 3 Years | - | |
| Total | 33,723,865 | |

*Trade Payables include supplier payments for office partition works and whereas employee payables relate to foreign travel payments to staff that were pending as at 30th June, 2025

18. Capital Fund

| Description | 2024-2025 | 2023-2024 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Inherited Bank Balance | 3,419,817 | 3,419,817 |
| Capital Fund | 4,278,009 | 5,704,013 |
| Transfer of Depreciation/Amortisation from Capital Fund to Retained Earnings | (1,069,502) | (1,426,003) |
| Total | 6,628,324 | 7,697,826 |

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19. Accumulated Surplus

| Description | 2024-2025 | 2023-2024 |
|--|-------------------|-------------------|
| | Kshs | Kshs |
| Balance Brought forward | 48,651,258 | 1,039,918 |
| Transfer of Depreciation/Amortisation from Capital Fund to Accumulated surplus | 1,069,502 | 1,426,003 |
| Net Profit | 35,024,267 | 46,185,337 |
| Total | 84,745,027 | 48,651,258 |

20. Cash Generated from Operations

| Description | FY 2024/25 |
|--|-------------------|
| | KShs. |
| Surplus for the year before tax | 35,024,267 |
| <i>Adjusted for:</i> | |
| Depreciation | 4,829,209 |
| Working Capital Adjustments | |
| Increase/ (Decrease) in Receivables | (39,778,000) |
| Increase/ (Decrease) in Payables | (405,707) |
| Net Cash Flow from Operating Activities | (330,231) |

21. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit risk

The Authority doesn't have exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, considering its financial position, experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Authority's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium, and long-term funding and liquidity management requirements. The Authority manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

iii) Market risk

The Authority is yet to put in place an internal audit function. Internal Audit would assist in assessing the risk faced by the Authority on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Authority's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There

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has been no change to the Authority's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The Authority may have transactional currency exposures in future as operations continue. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The Authority will manage foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) Interest rate risk

Interest rate risk is the risk that the Authority's financial condition may be adversely affected because of changes in interest rate levels. The Authority's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The Authority currently do not have bank deposits which would suffer interest rate risk.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Authority's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable

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market data when available. The Authority considers relevant and observable market prices in its valuations where possible.

22. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Authority include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Authority, holding 100% of the Authority's equity interest.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of directors.

| Description | 2024-2025 | 2023-2024 |
|---|--------------------|-------------------|
| | Kshs | Kshs |
| Transactions with related parties | | |
| a) Grants /Transfers from the Government | | |
| Grants from National Gov't | 110,120,000 | 90,360,000 |
| Total | 110,120,000 | 90,360,000 |
| b) Key management compensation | | |
| Directors' Emoluments | 6,864,001 | 1,405,193 |
| Compensation to Key Management | 15,439,042 | 34,613,515 |
| Total | 22,303,043 | 36,018,708 |

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23. Events after the Reporting Period

There were no material adjusting and non- adjusting events after the reporting period.

24. Ultimate And Holding Entity

The Authority is a State Corporation/ or a Semi- Autonomous Government Agency under the National Treasury and Planning. Its ultimate parent is the Government of Kenya.

25. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

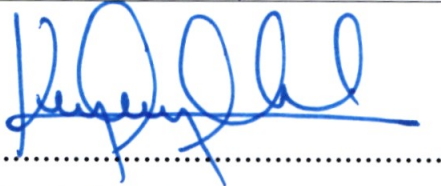
Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management Comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| A. REPORT ON THE FINANCIAL STATEMENTS. | | | | |
| 1.Unsupported Property, Plant and Equipment. | The accuracy and ownership of Property, plant and equipment could not be confirmed. | Going forward, quarterly asset reconciliation will be conducted to ensure accuracy and completeness of Property, plant and equipment records. | Not Resolved | 30 th June 2026 |
| 2.Unsupported cash and cash equivalents balance. | The accuracy of cash and cash equivalents balance could not be confirmed. | Going forward, the management will strengthen review controls and ensure timely monthly reconciliations to maintain accuracy and completeness of cash and cash equivalent balances. | Resolved | |
| 3.Emphasis of matter | There was under-performance of the budget which affected the planned activities and may have impacted negatively on service delivery to the public. | Corrective measures have been put in place including improved planning. Therefore, the management is committed to improving budget absorption in the next financial year. | Resolved | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management Comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|---|-----------------------------------|--|
| B. REPORT ON LAWFULLNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES. | | | | |
| 1.Unbalanced budget. | The statement of comparison of budget and actual amounts did not balance. | Going forward, additional review controls have been introduced during budget preparation to prevent recurrence. | Resolved | |



Daniel Mainda
Chief Executive Officer
Date 11th December 2025

Appendix II: Projects implemented by Nairobi International Financial Centre Authority

Projects implemented by the State Corporation/ SAGA Funded by the Government.

| Project title | Project Number | Donor | Period/ duration | Donor commitment | Separate donor reporting required as per the donor agreement (Yes/No) | Consolidated in these financial statements. (Yes/No) |
|---------------------|----------------|-------|---|------------------|---|--|
| Office Partitioning | - | GOK | 3 rd June 2025 to 3 rd September 2025 | - | - | Yes |

Status of Projects completion

| SN | Project | Total project Cost (Kshs) | Total expended to date | Completion % to date | Budget Kshs | Actual Kshs | Sources of funds |
|----|---------------------|---------------------------|------------------------|----------------------|-------------|-------------|------------------|
| 1 | Office Partitioning | 44,782,424 | - | 40% | 39,760,000 | 44,782,424 | GOK |